

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

INVESTMENT PLAN COMMITTEE OF  
THE INVESTMENT PLAN FOR  
EMPLOYEES OF PUGET SOUND  
ENERGY, INC.,

Plaintiff/Stakeholder,

v.

ESTATE OF RICHARD A. YEAKLEY,  
*et al.*,

Defendants.

Case No. C05-1479RSL

ORDER GRANTING THE  
ESTATE'S MOTION FOR  
SUMMARY JUDGMENT

This matter comes before the Court on “Defendant Estate of Richard A. Yeakley’s Motion for Summary Judgment.” Dkt. # 34. This matter involves a dispute regarding the proper beneficiaries of the proceeds from an investment plan in which Richard A. Yeakley participated. The Estate of Richard A. Yeakley and its executor, defendant Ralph Yeakley, Jr., argue that the beneficiary designation on the plan’s information form is ambiguous and does not clearly identify the intended beneficiaries, such that the proceeds must be paid according to the plan’s default rules. Many of the other named defendants argue that the designation of “the Yeakleys” at “RR 5 Box 243T Orono, ME 04473” is not ambiguous because it adequately describes defendants Ralph Yeakley, Sr., Charlotte Yeakley, and their twenty-three natural, adopted, or sponsored

1 children. In the alternative, if the Court were to find the designation ambiguous, the  
2 non-moving defendants request an opportunity to present extrinsic evidence regarding  
3 Richard Yeakley's intent.

4           Having reviewed the memoranda, declarations, and exhibits submitted by  
5 the parties, the Court finds as follows:

6           (1) Richard Yeakley's beneficiary designation is ambiguous. Given Richard's  
7 interesting history, one could assume that he intended to further the adoption and  
8 sponsorship efforts of Ralph and Charlotte Yeakley by providing funds for their use at  
9 the then-family home in Orono, Maine. Even if the Court were at liberty to make such  
10 an assumption, the cryptic designation on the beneficiary form is silent regarding how  
11 that purpose was to be accomplished. Did Richard intend that 100% of the proceeds  
12 would go to one or both of the parents, with the expectation that money received by  
13 them would be used to benefit any children then living with them? Or would Richard  
14 have wanted the proceeds divided between and among the individuals living in the  
15 family home at the time of his death?

16           It is also possible that the desire to promote Ralph and Charlotte's  
17 philanthropic efforts was not the motivating factor behind the bequest. Richard may, in  
18 fact, have intended to benefit all of his immediate family members, including Ralph,  
19 Charlotte, and all twenty-three natural, adopted, or sponsored children. This is the  
20 interpretation favored by most of the named defendants. But as the non-moving  
21 defendants recognize, the designation of "the Yeakleys" as beneficiaries is qualified by  
22 the family address in Orono, Maine. Response at 5. A proposed interpretation that  
23 includes family members who did not live at the Maine address when the designation  
24 was made or even at the time of Richard's death seems overbroad. In fact, the non-  
25 moving defendants' interpretation would presumably sweep in family members who  
26 never lived at the Orono address because they had reached the age of majority and left

1 the family home before Ralph and Charlotte moved to Maine in 1988.

2            “[O]nly by excluding all alternative readings as unreasonable may [the  
3 Court] find that a plan’s language is plain and unambiguous.” McDaniel v. Chevron  
4 Corp., 203 F.3d 1099, 1110 (9th Cir. 2000). The words Richard Yeakley used to  
5 designate his beneficiaries under the plan are subject to too many reasonable  
6 interpretations, especially when considered “in the light of the context that gave rise to  
7 [their] inclusion.” McDaniel, 203 F.3d at 1110. His intent simply cannot be ascertained  
8 from the designation form, making it ambiguous.

9            (2) The non-moving defendants urge the Court to deny the Estate’s motion for  
10 summary judgment and give the parties an opportunity to present extrinsic evidence  
11 regarding Richard Yeakley’s intent. In most circumstances, a plan administrator or  
12 reviewing court faced with an ambiguity in plan documents will examine extrinsic  
13 evidence to determine the intent of the parties. See, e.g., Richardson v. Pension Plan of  
14 Bethlehem Steel Corp., 112 F.3d 982, 985 (9th Cir. 1997). Ambiguities in a beneficiary  
15 designation form have been handled differently, however. The Ninth Circuit has limited  
16 its analysis to determining (1) whether the participant made an ambiguous designation of  
17 a beneficiary and (2) if so, whether the plan documents provide a default beneficiary.  
18 Metropolitan Life Ins. Co. v. Parker, 436 F.3d 1109, 1114 (9th Cir. 2006). In Parker, the  
19 contract interpretation analysis took into consideration basic facts regarding the  
20 relationships between the various parties (*i.e.*, the context in which the contract was  
21 created), but remained focused on the words and references used by the participant when  
22 designating his beneficiary. Parker, 436 F.3d at 1114-16. Once an ambiguity was  
23 found, the Ninth Circuit turned to the default beneficiary rules of the plan without  
24 recourse to extrinsic evidence. Parker, 436 F.3d at 1116.

25            As discussed above, Richard Yeakley’s beneficiary designation is  
26 ambiguous. The default order for distribution of benefits provided in the plan rules

1 therefore applies in this case.<sup>1</sup> There is no dispute regarding the applicable plan terms or  
2 the fact that Richard Yeakley did not have a surviving spouse or any surviving children.  
3 The Estate of Richard A. Yeakley is therefore the default beneficiary and the proceeds of  
4 the plan shall be distributed to the defendant Estate.

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6 For all of the foregoing reasons, the Estate's motion for summary judgment  
7 is GRANTED.

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9 DATED this 7th day of August, 2006.

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12 Robert S. Lasnik  
13 United States District Judge  
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23 <sup>1</sup> In the alternative, the Court finds that the non-moving defendants had the burden  
24 and opportunity to produce evidence giving rise to a triable issue of fact regarding  
25 Richard's intent in response to the Estate's motion for summary judgment. They did not  
26 do so. Other than the basic facts surrounding Richard's relationship to the Yeakleys, the  
non-moving defendants failed to produce any evidence regarding Richard's intent at the  
time he designated his beneficiaries. They are not, therefore, entitled to a hearing or trial  
based on the mere possibility that such evidence may be forthcoming in the future.